

Nuts and Bolts Conference

August 30, 2007

Steve E. Tharman

**Business & Community Program Specialist
USDA Rural Development**



USDA Rural Development Community Development Programs

Community Development

- What are your community's needs?
- What capital projects is your community contemplating?
- What capital projects should they be contemplating?



USDA Rural Development Community Development Programs

Community Development

- How might the projects be developed?
- Have we prioritized our needs?
- Has the best site been selected?



USDA Rural Development Community Development Programs

Community Development
What does the list include?

Health Care

Child Care

Water Quality

Fire and Rescue

New Business

Industrial Park



USDA Rural Development Community Development Programs

- Where might we find financial help?
 - Community Contributions
 - USDA Rural Development
 - Other financial partners



USDA Rural Development Community Development Programs

- USDA Rural Development has numerous programs to help address community projects:
 - Essential community facilities
 - Housing development
 - Business development
 - Technical assistance and more



Utility (Infrastructure) Programs

- **Water & Waste Disposal**
- **Distance Learning & Telemedicine**
- **Rural Electric Loan**
- **Community Facility**



Water & Waste Disposal Program (WWD)



Committed to the future of rural communities.

Water & Waste Disposal Program

Purpose:

- Develop and upgrade rural water distribution and wastewater facilities

Eligible Areas:

- Rural Communities with a population of less than 10,000



Water & Waste Disposal Program

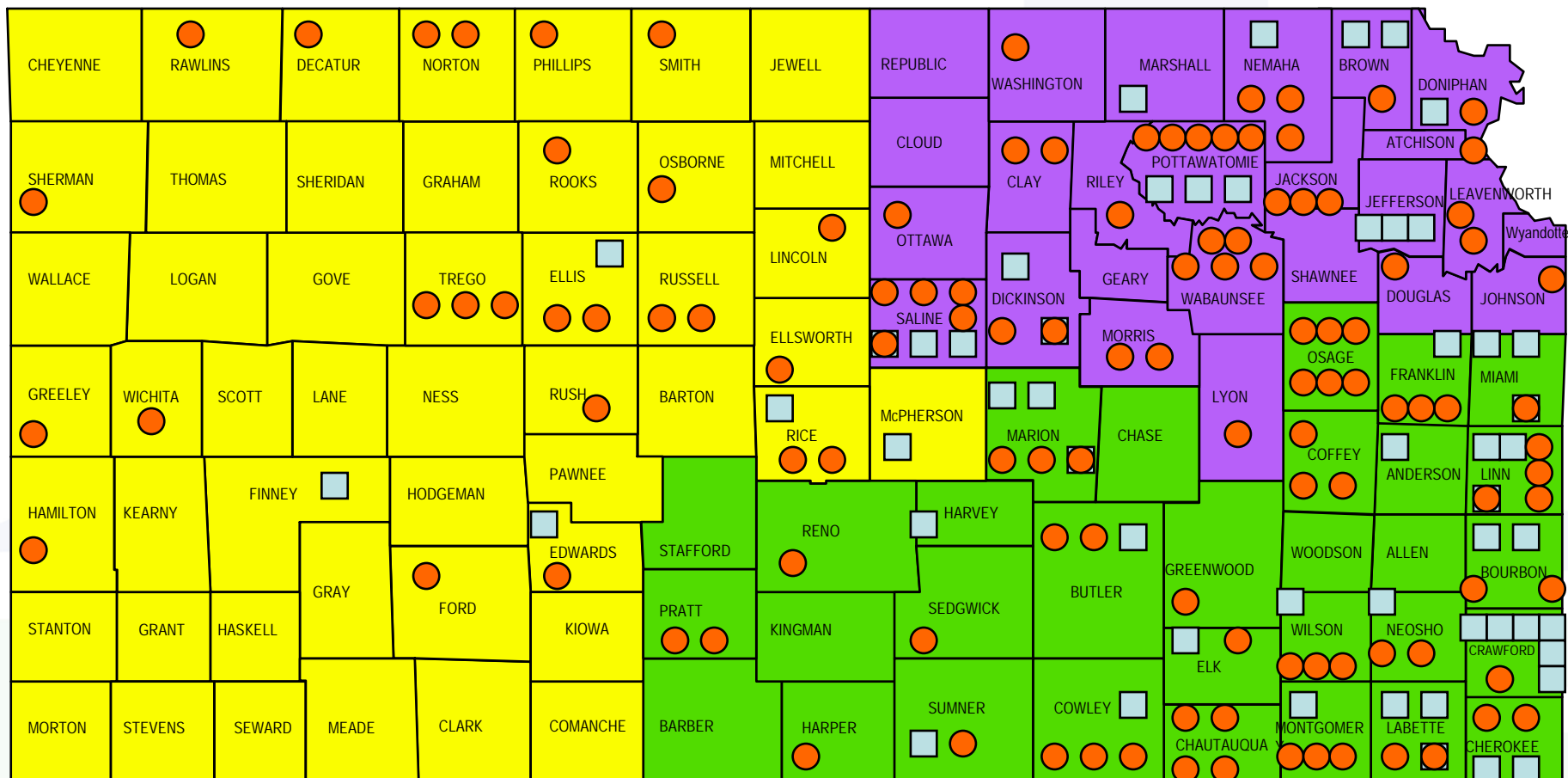
Eligible Entities:

- Municipalities
- Counties
- Special purpose districts
- Indian Tribes
- Not for Profit organizations



USDA Rural Development Kansas Area Jurisdictions

W&WD Active Borrowers



■ = Manhattan area office

■ = Iola area office

■ = Hays area office

■ = SEWER

● = WATER

■ = WATER/SEWER

Community Facility Program (CF)



Committed to the future of rural communities.

Community Facility Program

- Program Purpose:
 - Enhance / improve essential community services and/or facilities
 - Public Service
 - Public Safety
 - Health Care
- Eligible Areas:
 - Rural areas with a population of less than 20,000



Community Facility Program

- Eligible Types of Projects:

- Dental Clinic
- Outpatient Clinic
- Library
- Museum
- Outdoor Theater
- Public School
- Natural Gas Distribution
- Animal Shelter
- Street Improvements
- Police Station
- Mobile Communications Center
- Shelter for At-risk youth
- Food Storage and Distribution Center
- Bridge
- Airport improvements
- Railroad facility
- Off Street Public Parking

Community Facility Program



City Hall & Library Remodel
south-central Kansas



Municipal Natural Gas System
central Kansas



Community Facility Program

Eligible Categories

- Fire Trucks and Equipment.
- Rescue and Ambulance Vehicles & Equipment.
- Police Vehicles.



Rural fire truck, west central Kansas

Fire department truck and equipment, southeast Kansas



Community Facility Program

Eligible Categories

- Hospitals/Admin. Buildings
- Physicians Clinics
- Out-Patient Care
- Migrant Health Centers
- County Health Department Facilities

Local Hospital



northeast Kansas

Community Facility Program

Eligible Categories

- Ambulance,
Fire, Police,
Rescue
Building



**Rural fire station,
north central
Kansas**

**Rural fire station,
northeast Kansas**



Community Facility Program

“Before & After”



Former Library



Former City Hall



New City Hall / Library



Business Programs

- **Business and Industry Guaranteed Loan**
- **Rural Economic Development Loan & Grant**
- **Rural Business Enterprise Grant**
- **Intermediary Re-lending**
- **Value-Added Producer Grant**
- **Renewable Energy / Energy Efficiency**

Business & Industry Guaranteed Loan Program (B&I)



Committed to the future of rural communities.

B&I Guaranteed Loan Program

- Program Purpose:
 - Create and maintain employment & improve the economic climate in rural communities.
 - Assist in creating and saving jobs
- Eligible Area:
 - Rural areas with a population up to 50,000



B&I Guaranteed Loan Program

- Eligible Entities:
 - Any legal entity, including individuals, corporations, public and private organizations and federally recognized Indian tribal groups.

B&I Guaranteed Loan Program

- Eligible Purposes – eligibility includes, but not limited to:
 - Business acquisitions
 - Construction / Expansion
 - Repair / Modernization
 - Development Costs
 - Equipment purchase
 - Start-up working capital
 - Refinancing under certain conditions



B&I Guaranteed Loan Program

- Use of Funds (recent projects):
 - Purchased a convenience store
 - Constructed a rural country store
 - Constructed an additional grain storage facility
 - Truck plaza construction
 - Metal fabrication facility operations
 - Working capital for a propane delivery business



B&I Guaranteed Loan Program

- Benefits to Rural Businesses
 - Larger loan amounts
 - Lower interest rates
 - Longer repayment terms



Manufacturing facility



central Kansas

Grain handling facility



southeast Kansas

Cotton Gin



southwest Kansas

Farm Equipment Manufacturer



northeast Kansas

Motel



southeast Kansas

Grocery Store



northwest Kansas

Plastic Products Manufacturer



central Kansas

Rural Economic Development **Loan and Grant Program** **(REDLG)**



Committed to the future of rural communities.

Rural Economic Development

Loan & Grant Program

- Program Purpose:
 - **Loans** to eligible utilities to make a pass-thru loan to a rural business
 - **Grants** to eligible utilities to establish revolving loan funds to initially make loans to eligible rural projects
- Eligible Areas:
 - Rural areas with population of 50,000 (2,500)



Rural Economic Development

Loan & Grant Program

- Eligible Entities:
 - Electric and Telephone Rural Utility Cooperatives
- Eligible Ultimate Loan/Grant Recipients:
 - Any legal entity, including individuals, public bodies, and federally recognized Indian Tribes



Rural Economic Development

Loan & Grant Program

- Term (Loan):
 - Maximum of 10 years
- Interest Rate (Loan):
 - 0% (Loan)



Rural Economic Development

Loan & Grant Program

Eligible Types of Projects

- Grocery Store
- Community College Improvements
- Livestock Handling Equipment
- Feed Mill
- Seed Company
- Industrial Building
- Repair Shops
- Hospital Improvement
- Library
- Furniture Business
- Supply Store
- Implement Dealer
- Fire / Emergency Vehicles
- Hotels
- Dairy Operation



Rural Economic Development Loan & Grant Program



Grocery store
central Kansas

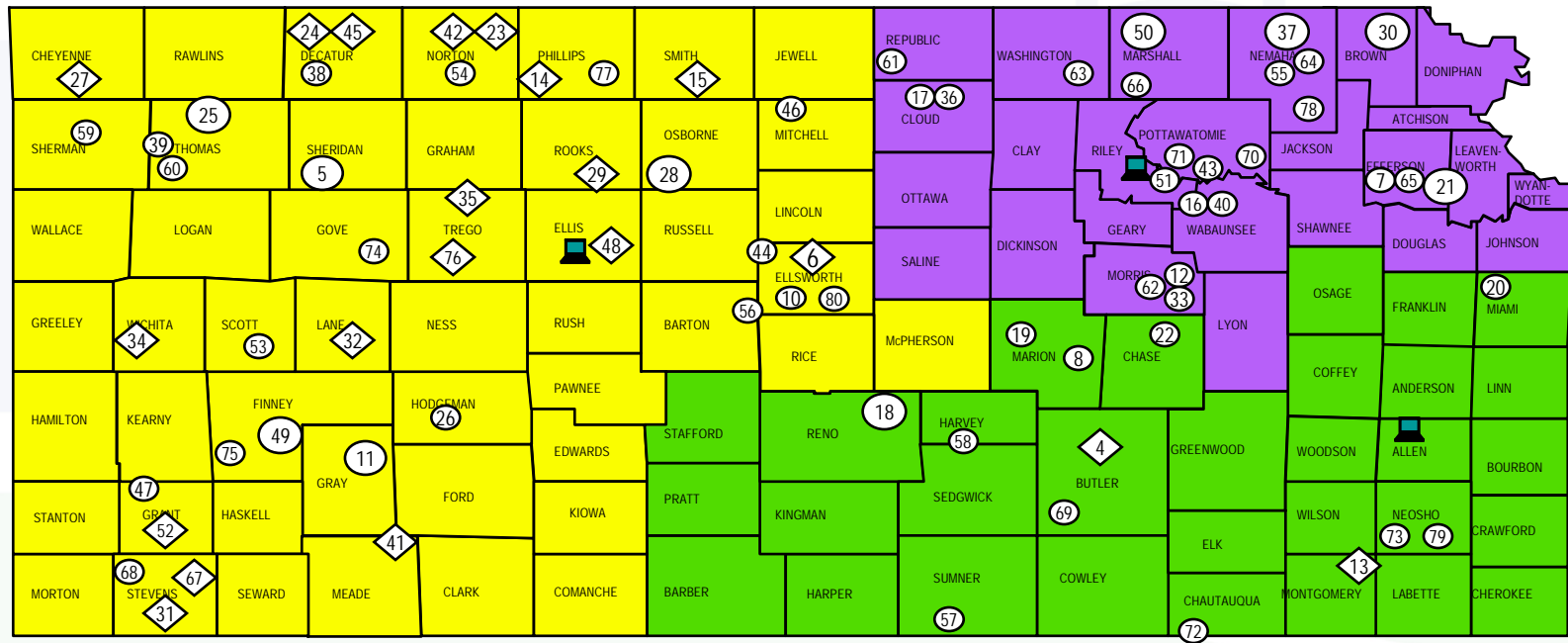


Electrical repair company
northeast Kansas

Project locations

(8-07)

(currently have 80 Kansas projects that have been funded)



Rural Business Enterprise Grant (RBEG)



Committed to the future of rural communities.

Rural Business Enterprise Grant Program

- Program Purpose:
 - Assist small and emerging private business enterprises.

Definition: Any private business which will employ 50 or fewer new employees and has less than \$1 million in projected gross revenues. (gross revenues = gross sales or gross receipts less cost of goods sold)

Rural Business Enterprise Grant **Program**

- **Eligible Entities:**
 - Public bodies and private non profit corporations serving rural areas.
- **Eligible Areas:**
 - Cities of 50,000 or less population.

Rural Business Enterprise Grant **Program**

- **Eligible categories**
 - An RBEG grantee may use the funds to assist small and emerging private business by:
 - Loan to the business (set up revolving loan funds)
 - Provide technical assistance (feasibility study, etc)
 - Purchase real estate or personal property to be leased to the eligible small business.

Value-Added Producer Grant Program (VAPG)



Committed to the future of rural communities.

Value-Added Producer Grant Program

2007 Requirements

- Program Purpose:
 - Help agricultural producers increase their revenues through value-added activities that expand the customer base for their products
- Eligible Area:
 - Anywhere in Kansas, there is no restriction on the location of the project



Value-Added Producer Grant Program

2007 Requirements

- Planning Activities (\$100,000 maximum):
 - Conduct Feasibility Studies
 - Develop Business or Marketing Plan
- Working Capital (\$300,000 maximum)
 - Purchase or design an Accounting system
 - Pay salaries, utilities, or rent
 - Buy equipment or office supplies



Value-Added Producer Grant Program

2007 Requirements

- Types of Projects:
 - Processing grains and oilseeds
 - Ethanol plant
 - Processing livestock or poultry
 - Marketing organic or hormone free products
 - ‘Identity preserved’ marketing systems



Value-Added Producer Grant Program



Soybean processing facility
northwest Kansas



Organic grain mill
west-central Kansas



Ethanol plant
east-central Kansas

Renewable Energy & Energy Efficiency Program (RE/EE)



Committed to the future of rural communities.

Renewable Energy & Energy Efficiency Program

2007 Requirements

- Program Purpose:
 - Assist agricultural farmers, ranchers, and rural small businesses purchase renewable energy systems and make energy efficiency improvements
- Eligible Areas:
 - Rural areas with population up to 50,000



Renewable Energy & Energy Efficiency Program

2007 Requirements

- Eligible Purposes (Renewable Energy Projects)
 - Anaerobic digester
 - Biomass, Bioenergy
 - Solar & Wind
 - Geothermal (electric or direct use)
 - Hydrogen derived from biomass or water using one of the above energy sources

Renewable Energy & Energy Efficiency Program

2007 Requirements

- Eligible Purposes (Energy Efficiency Improvements)
 - Heating/ventilation/AC
 - Lighting & Refrigeration systems
 - Insulation/windows/doors
 - Grain Drying and Curing
 - Irrigation Units & Compressors & Pumps



Renewable Energy & Energy Efficiency Program

2007 Requirements

- Type of Assistance:
 - Grant limited to 25% of eligible project costs
 - Minimum Grant
 - \$2,500 for Renewable Energy Projects
 - \$1,500 for Energy Efficiency Projects
 - Maximum Grant
 - \$500,000 for Renewable Energy Projects
 - \$250,000 for Energy Efficiency Projects
 - Guaranteed Loan limited to 50% of eligible project costs



Renewable Energy & Energy Efficiency Program

Funded Projects



**Grocery Store,
northeast Kansas**



**Grocery Store,
south-central Kansas**





Committed to the future of rural communities.